

TEACHERS' RETIREMENT BOARD  
BENEFITS AND SERVICES COMMITTEE

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SUBJECT: Level of Service Standards

ITEM NUMBER: 5

ATTACHMENT: 1

ACTION:     

DATE OF MEETING: December 4, 2002

INFORMATION:   X  

PRESENTERS(S): Peggy Plett

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**EXECUTIVE SUMMARY**

The Level of Service report provides the Benefits and Services Committee with the necessary information to fulfill its oversight responsibility regarding the delivery of benefits and services to CalSTRS members. The following reports are for October 2002.

**I. Overview**

CalSTRS paid a total of 180,173 benefit recipients \$384,112,152 in October 2002. The average monthly allowance roll for FY 2002/03 is \$379,652,634. Total disbursements for FY 2002/03 are \$1,518,610,538.

**A. Service Levels:**

1. Service Retirements – One hundred percent of initial payments were processed within 30 days, resulting in no disruption of cash flow for CalSTRS members. With respect to Finalizations, this reporting period pertains to members who retired in our largest retirement month, June 2002. Our finalization percentage for June 2002 reached 95.7% and reaching this level positively impacts our ability to meet the finalization goal for the year.

Partial Lump Sum payments

At the June 2002 Teacher's Retirement Board meeting information was shared on the status of implementing the Partial Lump Sum benefit. The Board expressed an interest in receiving future updates on this new benefit. To that end, please find the attached statistical information: (Note: All data is through October 2002.)

Retirees who have elected a Partial Lump Sum:	130
Gross Dollars Paid as a Partial Lump Sum:	\$7,849,157
Average Partial Lump Sum Payment:	\$60,378
Distribution Method Summary:	59% Direct Payment, 41%
Rollover	
Average Unmodified Allowance Decrease:	\$446 (monthly)

2. Disability – Disability Services continues to process most of its caseload within Board established standards. They achieved 99% of the 100% target of Goal One and exceeding Goal Two's established objective by 3% for the month of October. A total of 287 cases have been processed for the current fiscal year with 87% approved for benefits while 6% were rejected for statutory reasons, 7% were cancelled by member request and less than 1% were medically disapproved.

Based on the interest of the Board at the October meeting, the staff has identified approximately 1,000 disability allowance beneficiaries that could be eligible to elect a pre-retirement option beneficiary. They are in the process of developing an information and services strategy with the Public Affairs Office and various Services Divisions within the Client Benefits and Service Branch for implementation in the coming months.

3. Survivor Benefits – This program is making significant improvement in reducing the backlog of cases created by conversion to the START system. The current working inventory of new retired and active died cases is less than 1,000. This is a 60% improvement rate from the same period last fiscal year, when the working inventory of new cases was nearly 2,500.

The number of cases pending over six months awaiting document receipt has decreased considerably this month. It is down 66% from last month. This number will continue to fluctuate as we work with grieving clients to obtain the necessary information to process payment.

4. Telephone Center –The call center saw further service level improvements in October. Staff answered 84% of calls within three minutes and 71% within one minute. Busy messages dropped significantly to 3,145 for the month or 143/business day. Early November data indicates similar trends. The annual statements of account are due to reach members over the Thanksgiving weekend and staff expects a significant volume of calls the first week of December. Staffing plans are in place to address this workload and maximize service levels.

#### Service Credit Support

As of 11/12/02, the remaining count was 1,505, down from a high of 4,172. Staff received 996 service purchase requests in October and completed 1,377. A portion of the staff moved to their new headquarters location the week of October 28 causing a small delay in production. The remaining group is scheduled to relocate in late November. Ongoing overtime will continue until we are operating on a flow basis.

#### Customer Service Initiative

An implementation team continues to meet weekly. Duty statements, advertising, and hiring packages are in development. The Public Affairs Office will highlight these positions in our ongoing *Capital Weekly* job announcements and the hiring process is expected to begin in December. Hiring dates will be finalized once we have leased and configured space to house the new staff.

5. Regional Counseling Services – Staff continue to anticipate an increase in the demand for counseling interviews.
6. Interest Payments – None were made for Disability benefits. Service Retirements paid \$67 for 9 applications. Survivor Benefits paid \$1,668 for 69 reported deaths, which is a substantial decrease from the previous months in this fiscal year.

**II. Individual Program Reports: Attachment Pages 1-8**

**III. Miscellaneous Items: Attachment Pages 9 - 10**

# CalSTRS PRODUCTION OBJECTIVES 2000-2001 FISCAL YEAR

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Attachment I  
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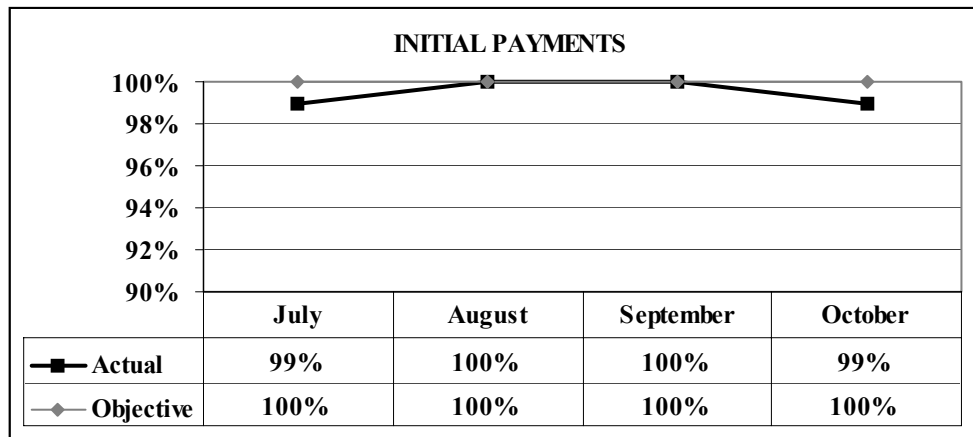
## II. Individual Program Reports

### Service Retirements

**Objective** Process 100 percent of all service retirement application payments within 30 days of the retirement effective date or receipt of completed application, whichever is later.

**Application Volume Change** Increased 16 percent in comparison to same period last fiscal year.

**Baseline** FY 2001/02 actual: 99 percent

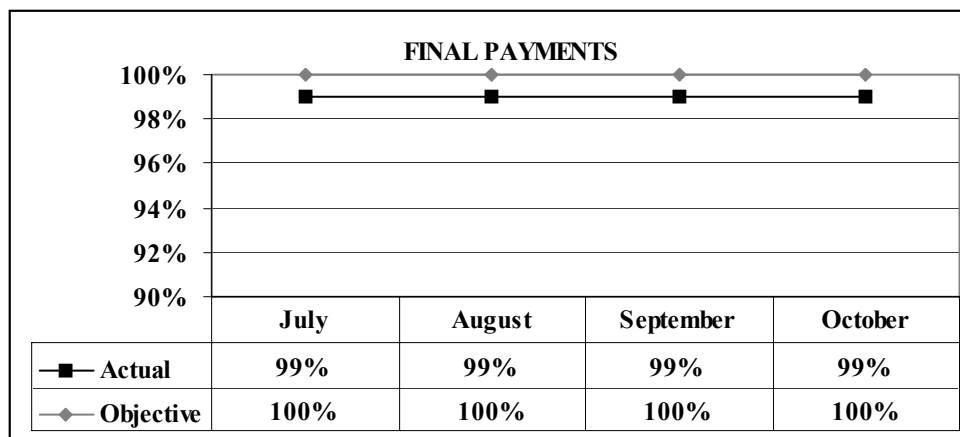


**Year to Date Average: 100%**

**Objective** Process 100 percent of all final service retirement payments within 45 days of receipt of all necessary information.

**Interest Payments** October 2002: 9 payments/\$67  
Current Year Cumulative: 24 payments/\$487  
Current Year Monthly Average: 6 payments/\$122  
Prior Year Monthly Average: 16 payments/\$378

**Baseline** FY 2001/02 actual: 99 percent



**Year to Date Average 99%**

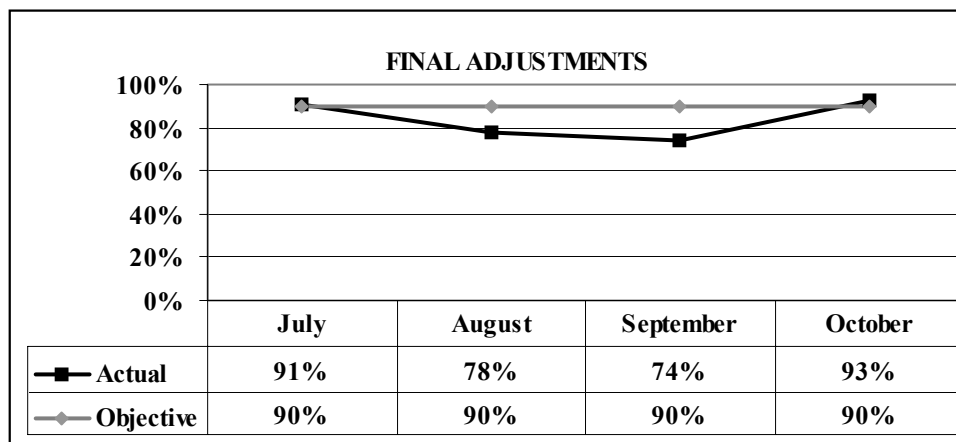
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## Service Retirements

**Objective** Finalize at minimum 90 percent of service retirement payments within four months of retirement effective date.



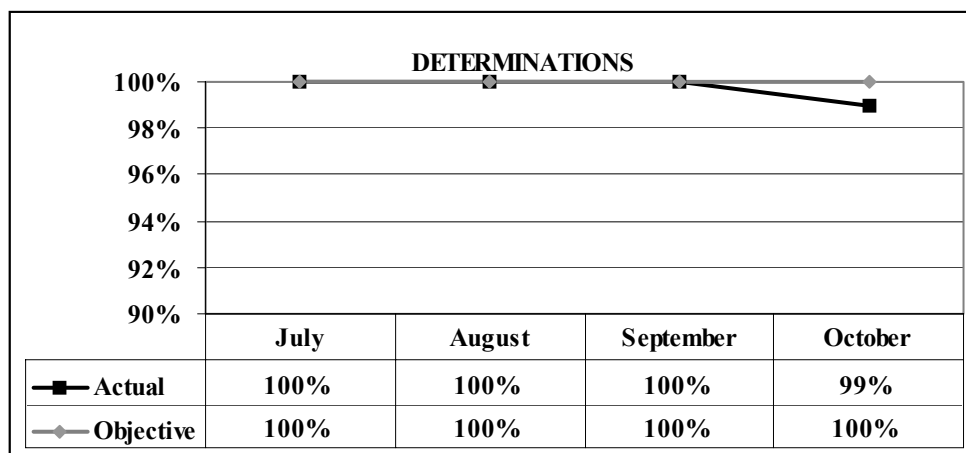
**Baseline** FY 2001/02 actual: 90 percent

**Year to Date Average:** 90%

## Disability

**Objective** Process 100 percent of eligible applications within 180 days of receipt.

**Application Volume Change** Minus five percent in comparison to same period last fiscal year.



**Baseline** FY 2001/02 actual: 99 percent

**Year to Date Average:** 100%

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## Disability

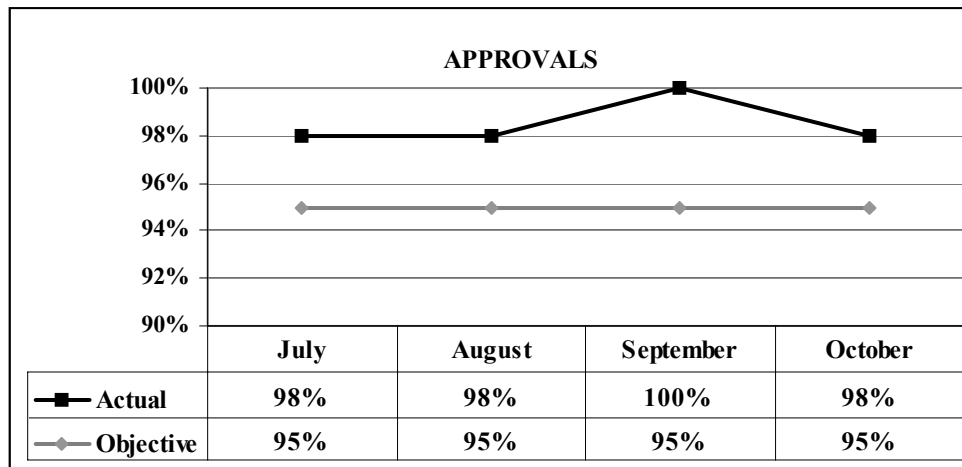
**Objective** Process at minimum 95 percent of approvals within 30 days of last required document.

**Interest Payments** October 2002: None

Current Year Cumulative:  
None

Current Year Monthly Average:  
None

Prior Year Monthly Average:  
None



**Baseline** FY 2001/02 actual: 99 percent

**Year to Date Average:** 99%

## Survivor Benefits

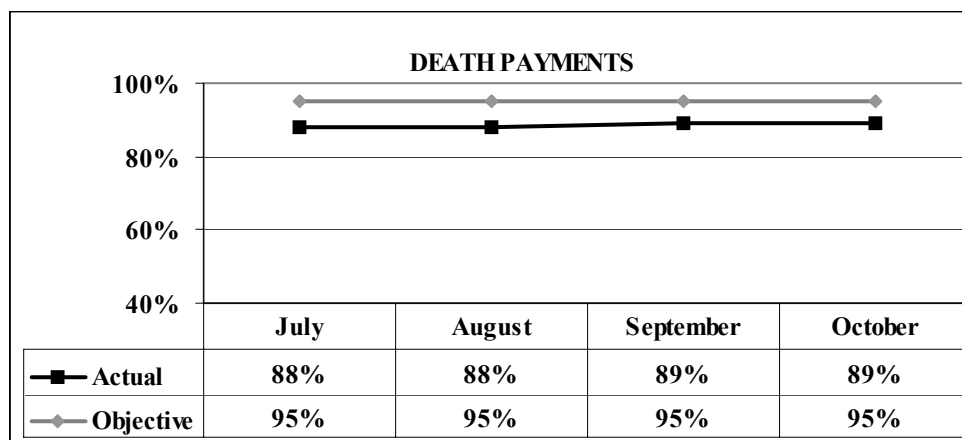
**Objective** Process at minimum 95 percent of applications within 30 days of receipt of all necessary information.

**Interest Payments** October 2002: 69 Payments/\$1,668

Current Year Cumulative:  
441 payments/\$32,015

Current Year Monthly Average:  
110 payments/\$8,004

Prior Year Monthly Average:  
228 payments/\$12,995



**Baseline** FY 2001/02 actual: 71 percent

**Year to Date Average:** 89%

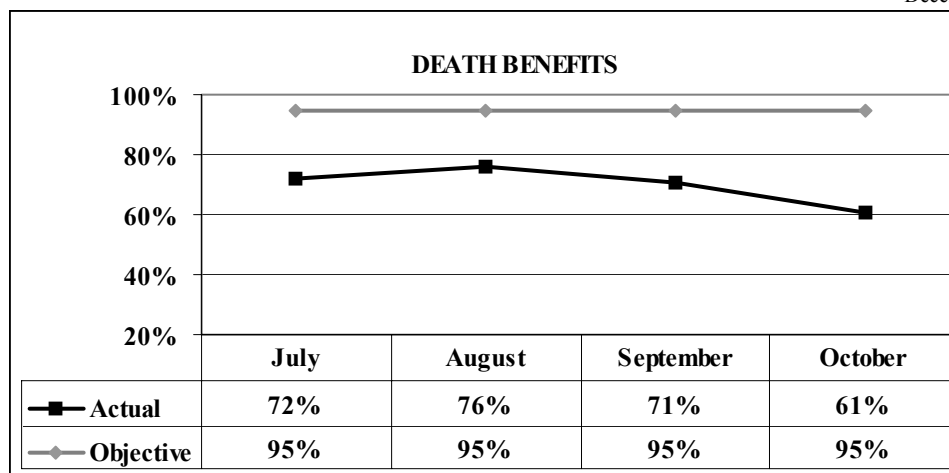
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## Survivor Benefits

**Objective** Complete at minimum 95 percent of death benefit payments for retired members within 90 days of receipt of notification of death.



**Baseline** FY 2001/02 actual: 44 percent

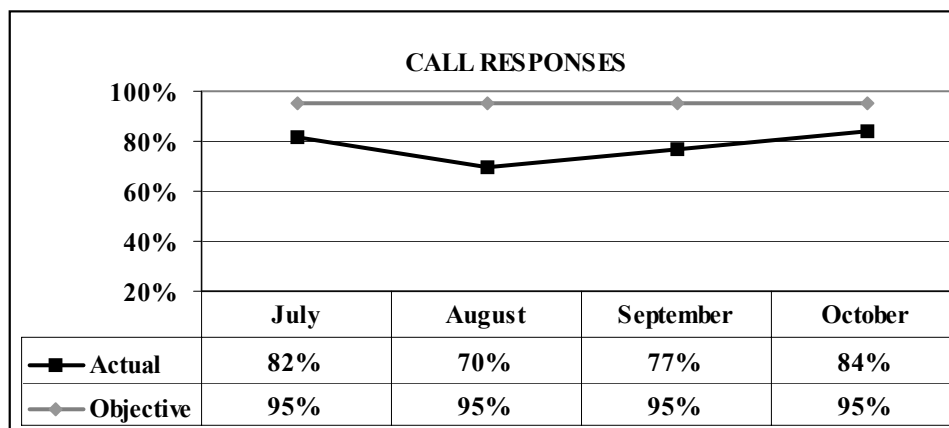
**Year to Date Average:** 70%

## Public Service

**Objective** Answer 95 percent of calls in less than three minutes.

**Volume Change** 37.98 percent increase

**Notes** Average queue time: 30 seconds  
Longest queue wait: 15 minutes



**Baseline** FY 2001/02 actual: 62 percent  
FY 1996/97 Objective:  
75 percent in less than three minutes.

**Year to Date Average:** 78%

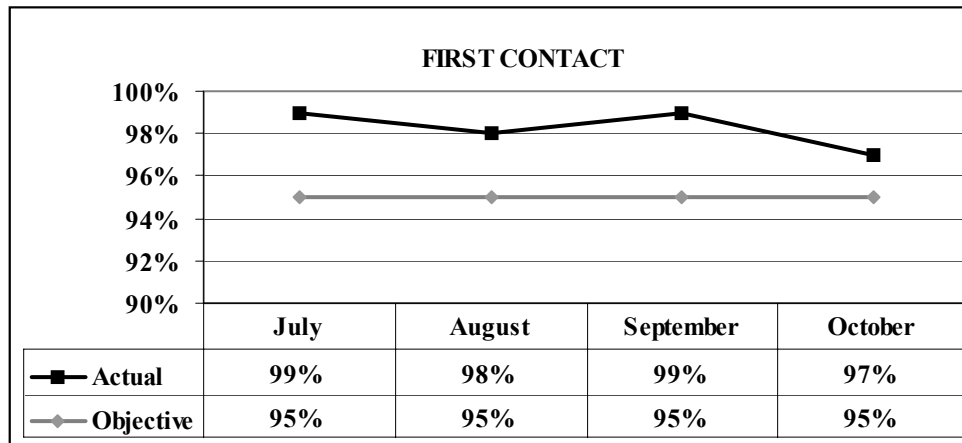
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## **Public Service**

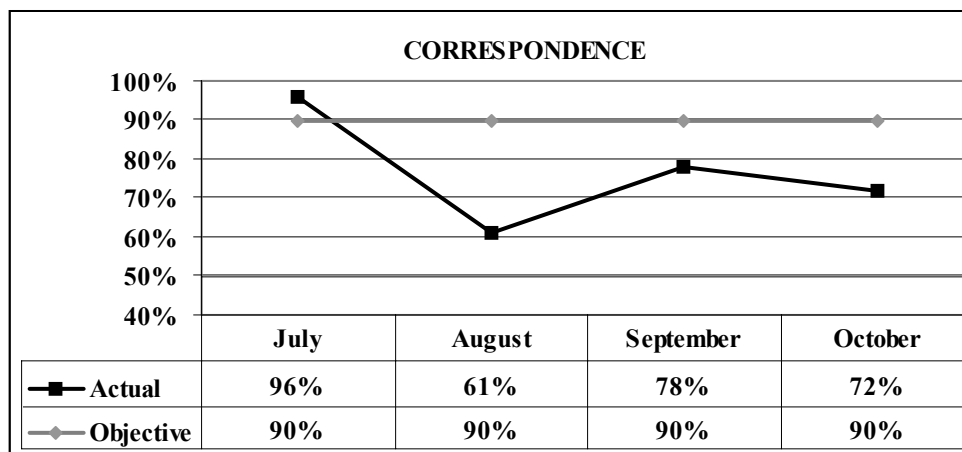
**Objective** Answer at minimum 95 percent of calls on the first contact.



**Baseline** FY 2001/02 actual: 98 percent

**Year to Date Average:** 98%

**Objective** Respond to at minimum 90 percent of correspondence in ten working days.



**Baseline** FY 2001/02 actual: 61 percent

**Year to Date Average:** 77%

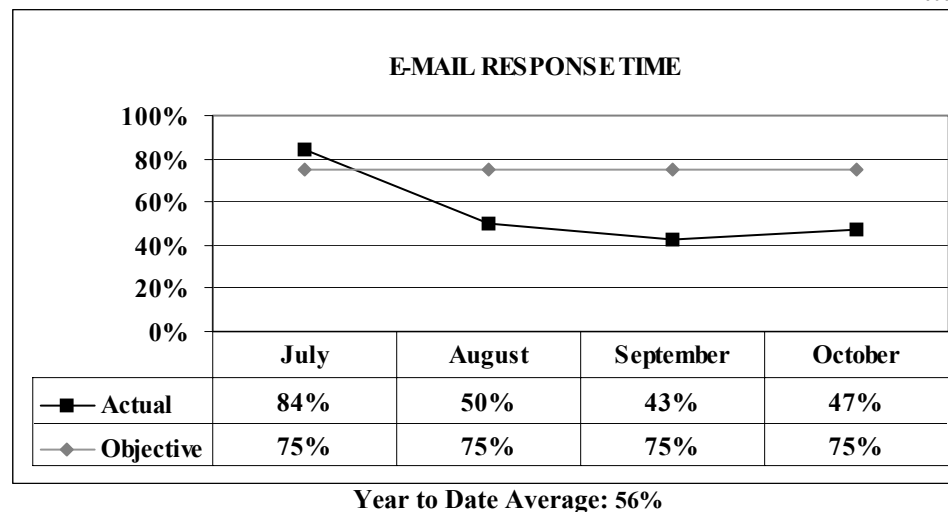


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**Objective** Respond to at minimum of 75 percent of the e-mails in three working days

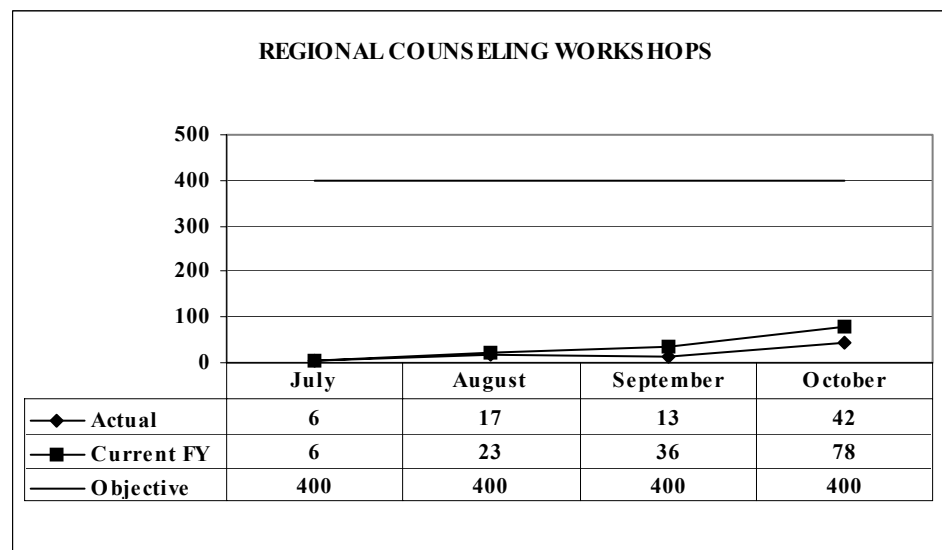
**Baseline** FY 2001/2002 actual: 41 percent



### Regional Counseling Services

**Objective** Conduct at minimum 400 workshops

**Baseline** FY 2001/02 actual: 497

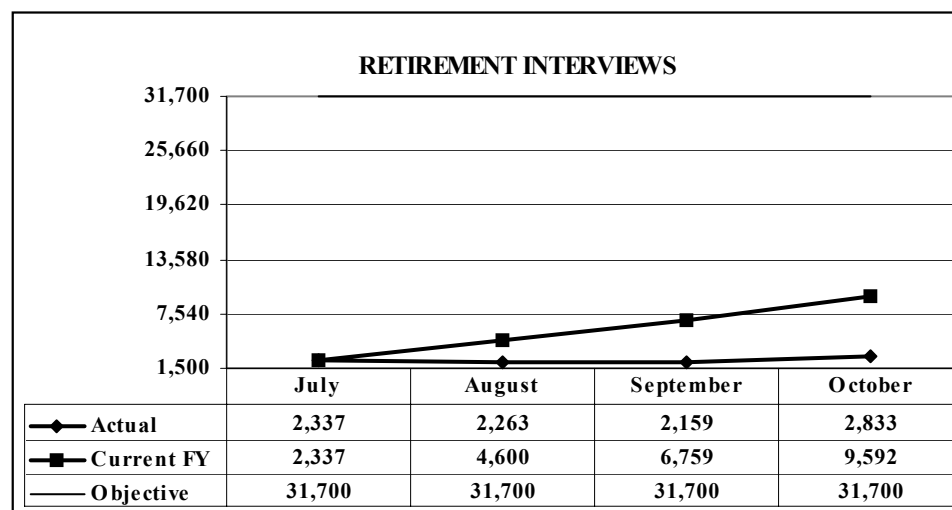


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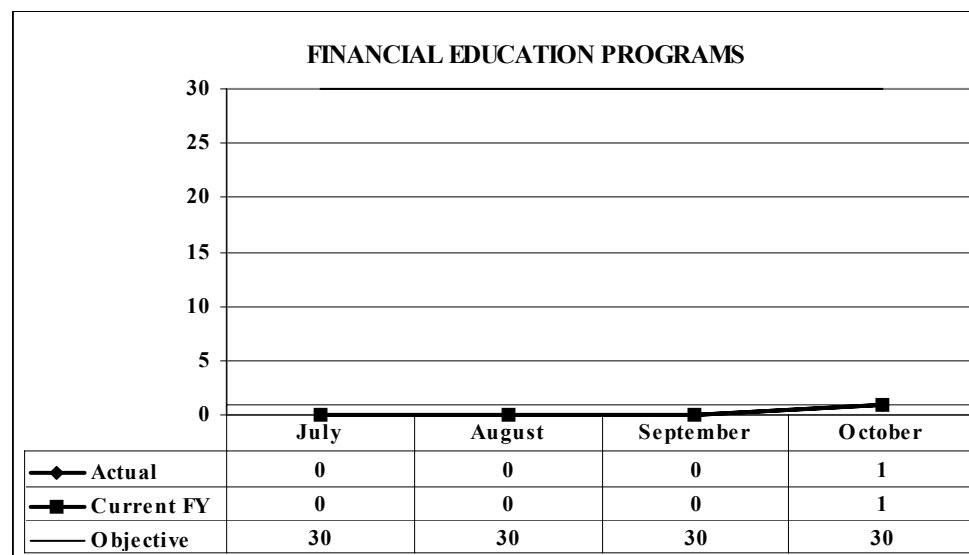
### Regional Counseling Services

**Objective** Provide at minimum 31,700 retirement interviews.



**Baseline** FY 2001/02 actual: 31,477

**Objective** Deliver at minimum 30 Financial Education Program workshops to CalSTRS members.

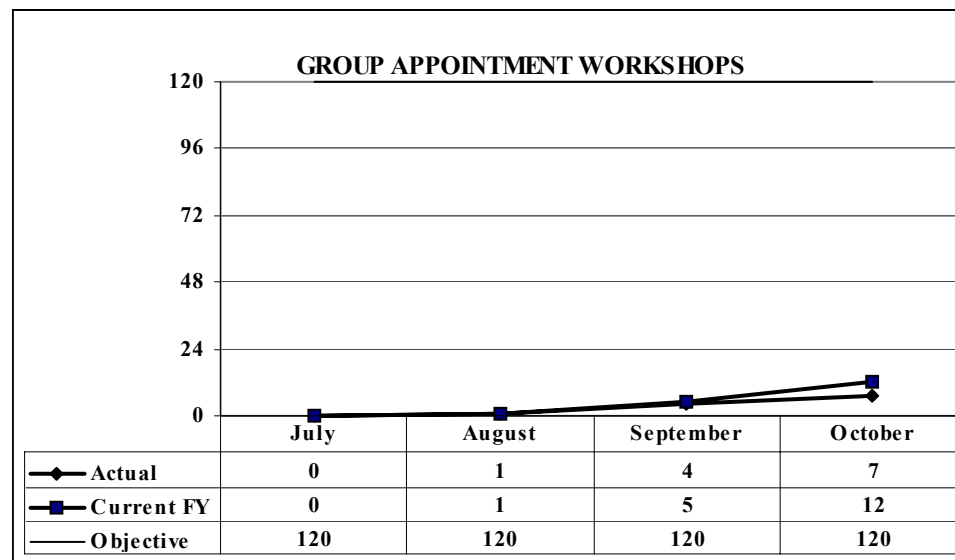


**Baseline** FY 2001/02 actual: 29

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**Objective** Deliver at minimum 120 Group Appointment Workshops.



**Baseline** FY 2002/02 Actual: 29

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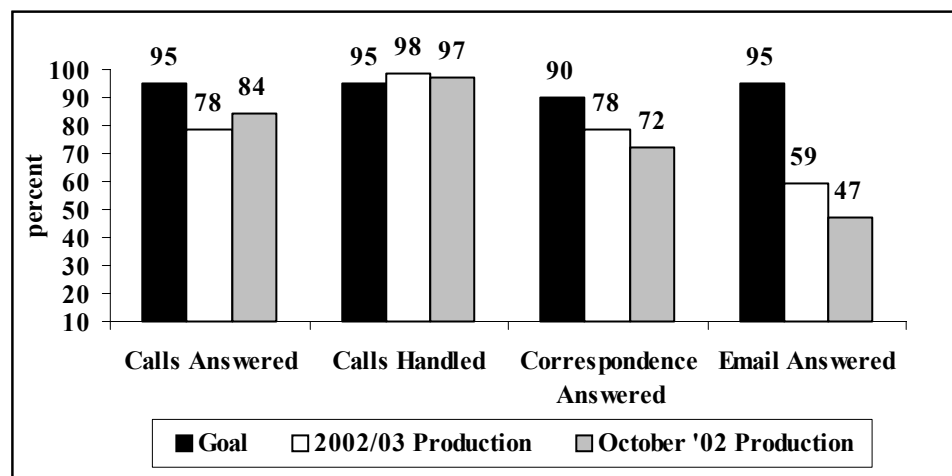
### III. Miscellaneous

#### A. Outstanding Survivor Benefit Cases:

The Education Code requires a report to the Board on outstanding Survivor Benefit cases not paid within six months of the notification of death. As of October there were 44 exceeding this threshold. In September 2002, there were 101 cases beyond the six-month processing period, while in August there were 114 cases exceeding the six-month threshold.

**B. One-Year Final Compensation:** During the current fiscal year, no school districts have chosen to participate in this program.

#### C. Telephone Center:



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**C. Telephone Center: (continued)**

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